

## TRANSPORTATION PERFORMANCE AUDIT BOARD

Friday, May 6, 2005  
10:00 a.m. - 12 Noon  
Puget Sound Regional Council  
Conference Room  
Seattle, WA

### - Minutes -

---

The meeting was called to order by Chair Doug Hurley at approximately 10:05 a.m. Members present were: Daley, Haugen, Hurley, Noguchi, Ostrowski, Perteet, Pyles, Swecker and Wallace.

#### 1. Report of the Chair

- a. Minutes - The minutes of the March 31, 2005 TPAB meeting were approved.
- b. Budget Update - Diane Schwickerath, LTC staff, presented the Treasurer's Report.

Chair Hurley introduced Dalene Sprick, the new interim TPAB Administrator. He also introduced Jennifer Ziegler, Transportation Commission Administrator, and indicated that after July 1, TPAB will structurally be a part of the Transportation Commission in terms of budget and staffing assignments.

Chair Hurley then introduced Ann Daley, the new interim Legislative Auditor.

#### 2. Report of Legislation Affecting TPAB

Dalene Sprick, TPAB staff, gave an overview of the content of legislation affecting TPAB, as well as the structural changes.

New TPAB mandates include: 1) conduct a review of the comprehensive ten-year investment process, 2) by January 2006, make recommendations to RCW 47.01.012 - State Transportation Goals and Benchmarks, 3) by January 2006, develop performance measures and benchmarks for the evaluation of expenditures of the Transportation Partnership Account, 4) if the State Auditor's financial audit of a transportation agency (except the Department of Licensing or the Washington State Patrol) implies that performance audits are warranted, TPAB shall include such audits in its annual work plan, and 5) TPAB is now granted the authority to directly contract with the State Auditor, the Joint Legislative and Review Committee (JLARC) or directly with an independent consultant in conducting performance audits. Previously, audits were only contracted through JLARC.

Because of the changes in TPAB's legislative mandates, she also discussed the need for TPAB members to review and revise the proposed six-year plan that was discussed and approved at the February 11 TPAB meeting.

Ms. Sprick then discussed the structural changes to TPAB membership, indicating that the board previously consisted of five citizen members that were required to have transportation expertise in specific areas. The new structure is three citizen transportation experts (the requirement for specific transportation expertise has been eliminated) and two citizen members with performance measurement or performance audit experience, one of which will be the State Auditor or his designee. A Transportation Commission member will also be appointed to the board. With the changes, the membership has gone from 11 members to 12 members.

She then explained that under the legislation, TPAB moves from the Legislative Transportation Committee (LTC) to the Washington State Transportation Commission, and that the LTC is dissolved. LTC's assets and materials will be transferred to either the Transportation Commission, or the newly formed Joint Transportation Committee (JTC) as appropriate. She pointed out that TPAB will change from being a legislative agency under the LTC, to an executive agency under the Transportation Commission, which means that the board will now be subject to new ethics requirements. As well, under the legislation, all conflicts of interest or potential conflicts of interest by board members must be disclosed. Board members will also be subject to PDC (Public Disclosure Commission) reporting requirements.

Chair Hurley asked Keenan Konopaski, JLARC staff, to give a brief overview of the projects currently assigned to JLARC. Mr. Konopaski began with the Accountability Review, indicating that JLARC has contracted again with Gannett-Fleming, Inc. for assistance. He indicated that they have been collaborating with a number of WSDOT partners in developing some of the performance measures on how TPAB will assess project delivery. He then gave a brief overview on the Business Process Review of the Environmental Permitting process. He stated that they engaged Tech-Law again to further assist with this review. He also stated that because of staff turnover at JLARC, this review is a month behind schedule and should be available by the July TPAB meeting. In reference to JLARC's new assignment, the Hood Canal Bridge Graving Dock, Mr. Konopaski stated that an RFP was initiated on April 21 with bids due on May 11. He indicated that they are on target and will have a consultant on board by June 1.

Chair Hurley briefly discussed two staff studies that were underway by Nate Naismith before his retirement -- Auto Theft and Suspended Licenses. He indicated that while these studies might not fall under the guise of the TPAB, they are important issues that need to be looked at. Senator Haugen suggested that a letter be sent to the Governor asking that she take the lead on these issues.

Member comments:

- Troy Pyles asked about TPAB members whose terms expire on June 30, 2005. Chair Hurley responded by indicating that a letter will be sent to the Governor's office addressing TPAB's vacancies. It was also stated that current members will continue to serve their terms until new appointments are made.
- John Ostrowski asked for clarification on TPAB's relationship to the Transportation Commission. Chair Hurley stated that TPAB was essentially placed under the Commission for budgetary purposes. He also explained that the Commission is instructed to hire a TPAB Administrator, but that person will be in an exempt position and will serve at the pleasure of the TPAB. He further explained that TPAB no longer recommends full performance and functional audits to the LTC, but will now direct its own audits. He then reviewed the new TPAB citizen membership requirements. Mr. Ostrowski asked for clarification on how the Governor will now search for nominations for board member appointments. Senator Haugen stated that by not requiring the Governor to seek nominations from professional organizations, it allows the Governor more flexibility in seeking candidates.

### **3. Follow-up report on work plan for improvements to Capital Project Management**

Don Nelson and Ken Smith, WSDOT, gave a follow-up report on the work plan for improvements to Capital Project Management. Mr. Nelson provided a brief overview of JLARC's conclusions and management recommendations. He indicated that WSDOT has done a considerable amount of internal and external (private sector and other state DOT's) outreach and have discovered several commonalities and good

ideas. He explained that a Project Management Task Force was created and briefly explained the approaches taken in order to address Gannett-Fleming's recommendations. He stated that DOT has developed a multi-faceted, on-line guide based on its project management system. This system provides templates, examples, tools and checklists. It establishes agency expectations and will be used as a primary training resource. He then explained that an Executive Order from the Secretary of Transportation will be going out soon, but that they didn't want to share expectations until the tools were available to meet those expectations. He indicated that this will be delivered toward the end of June.

Ken Smith, WSDOT, provided an on-line demonstration of the Project Management on-line guide, which consists of a five-step process for both construction and pre-construction projects. The five steps include: Initiate and Align the Team, Plan the Work, Endorse the Plan, Work the Plan and Closure. He reiterated that this system/guide will be available toward the end of June, both internally and externally.

Member comments:

- Representative Deb Wallace had a question regarding DOT's hiring practices and the ability to hire people based on skill sets, as opposed to "off a list." Mr. Nelson indicated that with upcoming changes, there will be more flexibility, and that they are currently in the process of rewriting job descriptions.
- Senator Swecker made the comment that once a decision is made on what to do, information technology makes that process much more efficient, and that in some ways information technology can lead to solving some of those issues left to be resolved. Mr. Smith indicated that this was a large part in developing the system.
- Representative Deb Wallace stressed the importance of sharing this system during the public outreach process to let the public know how their tax dollars are being spent. She also commented on the importance of aligning the team and ensuring that the team is fully developed, stating that if one person is left off, the risks could go up considerably.
- Rich Perteet commended the department for their work on the Project Management System, and how much work has been done in such a short amount of time.
- Ann Daley also commended the department on the Project Management System.
- Troy Pyles expressed his interest in receiving a list of all the recommendations and the plans start dates and finish dates and the percent complete. Mr. Smith directed members to page 6 of the handout, which addresses Mr. Pyles' question.
- Mr. Noguchi asked what the process will be in making this a mandatory tool for project managers. Mr. Smith indicated that the Executive Order will address this and Mr. Nelson added that all development or construction plans will have to be physically endorsed by the appropriate Assistant Regional Administrator.
- Chair Hurley asked DOT to provide information on how they plan handle project management at a global level for over \$8 billion in projects. He also asked DOT to send TPAB a copy of the Executive Order that will be released in June.

#### **4. Presentation on the "2004 Construction Highlights Report"**

Greg Selstead, WSDOT, presented the Department of Transportation's 2004 Construction Highlights Report. He indicated that this report has evolved over a period of three or four years. The department selected 25 projects of the 114 projects statewide for this self-assessment evaluation prior to the start of

construction and created four different criteria to evaluate: design, construction management, schedule performance and cost performance. The project costs ranged from \$100,000 to \$24 million. Using standard criteria, each element is assigned a one-to-five star rating, with one being the lowest and five being the highest. Of the 25 projects evaluated, 11 projects received the highest five-star rating in all four categories. Three projects had scores of less than 50 percent (three stars). Mr. Selstead indicated that the projects for the 2005 Construction Highlights Report have been selected. Further information on the report can be found at: [www.wsdot.wa.gov/Projects/2004Highlights](http://www.wsdot.wa.gov/Projects/2004Highlights)

Member comments:

- Because this system is based on the project engineer's self-evaluation, Representative Deb Wallace asked about the check and balance on project dollars. Mr. Selstead indicated that the check and balance comes when the numbers are rolled up to look at the overall budget perspective.
- Senator Swecker expressed concern of the possibility of numbers being padded in engineer's estimates in order to ensure conformity with this type of rigorous evaluation.
- Representative Wallace suggested that the term "preventable" be more clearly defined, as some preventable problems are due to human error, while others might be due to weather conditions.

**5. Department of Licensing (DOL) follow-up report on work plan for performance measures improvements**

Reema Griffith, DOL, gave an update on the department's implementation plan of the seven recommendations DOL received from TPAB and SMG Consulting Group; the consultant TPAB hired last Fall to do a performance review of the Department of Licensing.

**6. WSP/DOL follow-up presentation on uninsured motorist enforcement**

Myke Gable, DOL, and Lieutenant Kelly Quirin, WSP, discussed the joint WSP/DOL response to TPAB's request for information regarding uninsured motorists. Mr. Gable and Lt. Quirin each discussed what they are currently doing regarding the issue of uninsured motorists, what they plan to do, what restraints they each face, and what other states are doing.

Paula Hammond, WSDOT, provided members with a 2005 funding package folio which outlines and reports what the 2005 legislation provided. She indicated that this package will be provided to the media and the Transportation Commission and felt TPAB members might be interested as well.

The meeting was adjourned at 12:25 p.m.